

DEPARTMENT OF THE ARMY
ST. LOUIS DISTRICT, CORPS OF ENGINEERS
1222 SPRUCE STREET
ST. LOUIS, MISSOURI 63103-2833

CEIMS-RM-B

Regulation
No. 37-1-2

1 November 1992

Financial Administration
OPERATING BUDGETS

1. PURPOSE. This regulation provides policy guidance for the preparation and utilization of operating budgets.

2. APPLICABILITY. This regulation applies to all technical, advisory, executive, administrative, and field offices of the St. Louis District.

3. REFERENCES.

a. Engineering Regulation (ER) 37-1-24, Financial Administration, Operating Budgets, 15 Feb 89.

b. Engineering Pamphlet (EP) 37-1-3, Operating Budget Process Model, 15 Feb 89.

4. GENERAL.

a. The operating budget is a formal, written plan that interrelates and reconciles the operating requirements with the funding sources of an organization. It reflects the missions and specific Command objectives of the organization, as well as any limitations (e.g., constraining targets, available funds) imposed upon it. An operating budget is a tool used by an organization to manage limited resources.

b. An operating budget is reflective of all costs of an organization, both direct and indirect.

c. The operating budget will be developed for and used throughout a single fiscal year. It will include:

(1) A schedule of fund and manpower requirements by office and the sources of funding.

(2) An explanation of major changes from the previous fiscal year.

(3) A schedule of funds, by type of costs and source appropriation (direct or reimbursable).

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d. Some of the common uses of operating budgets are:

- (1) Management of funds, including funds control.
- (2) Preparation of budget estimates for in-house work.
- (3) Establishing facility, general and administrative overhead and departmental overhead rates.

5. POLICY.

a. The Commander is required to establish and maintain an operating budget. The Budget Officer of the Field Operating Agency (FOA) has this function as one of his/her primary responsibilities.

b. Full participation of the Commander's principal staff is necessary to make the operating budget useful. Therefore, the process must include a formal approval of the operating budget by the Commander.

c. The Commander's approved operating budget will be the basis for computing all distribution rates (general and administrative overhead, departmental overhead, etc.).

6. RESPONSIBILITIES.

a. Chiefs of technical divisions, executive, advisory, administrative offices, facilities, and field offices are responsible for the preparation and submission of operating budget estimates covering activities under their supervision.

b. Chiefs of field offices will submit their budgets to their Technical Division Chief for review, prior to submission to the Budget Officer.

7. OTHER CONSIDERATIONS.

a. In order to formalize the operating budget, a financial plan must be prepared by organizational element of the total planned expenses for the fiscal year. Expenses will be broken down into elements of expense (EOE). The EOE's include labor, travel, rents and utilities, other contracted services, materials and supplies, and equipment. These EOE's will be used to establish a budget control base.

b. Schedules will be prepared in order to develop and track expenses by office, EOE, and by source of funds.

8. REPORTING REQUIREMENTS.


a. Initial operating budgets are required to be formulated prior to the start of the fiscal year. In order to meet this deadline, operating budgets

will be prepared and submitted by 15 August of the fiscal year prior to the budget year. Specific fiscal year instructions and guidance will be provided by CELMS-RM-B through issuance of action directives.

b. The approved operating budget will be distributed to all offices.

c. The operating budget will provide monthly feedback on progress against the financial plan. Feedback will report actual expenditures versus budgeted amounts by EOE's and appropriation.

d. Changes in requirements, funding targets, sources of funding, manpower, etc., will be documented in a formal change to the budget, submitted by the responsible operating official, and formally approved by the Commander. As a minimum, a mid-year review will be conducted to evaluate the status of the budgets.


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